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Community Economic Development: An Introduction for Planners

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1. Introduction

In this paper, I present an introductory overview of the community economic development (CED) field. The concepts presented are intended to help CED planners and facilitators consider their practice from a broad community development perspective. I discuss the background to the current widespread interest in CED, introduce three quite different CED approaches which vary according to community goals, outline the relationships between economic and social development of a community, and identify some crucial trade-offs which have to be made by communities engaged in CED. Throughout, I provide examples of community development based on my own experiences and knowledge.

2. Background

In North America, community economic development took on the attributes of a movement during and after the economic depression of 1982. Interest in CED reflected disenchantment with the welfare state's ability to maintain full employment, meet standards of social and municipal services, stabilize the markets, ensure growth in real wages, and balance growth among regions. Despite improved market conditions since 1982, standards of living for many people have declined, work demands have increased, and anxiety about the future has become chronic with increased awareness of fiscal crisis, ecological constraints, and the impacts of international economic integration. CED appears to be the only alternative to a materialistic *sauve qui peut* on the one hand, or dependency on an increasingly unreliable welfare state on the other.

Whether CED is practised in hinterland resource towns, urban ghettos, obsolescent manufacturing cities, or Native communities reserves, the general objective is the same: to take some measure of control of the local economy back from the markets and the state.

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Within this common objective, CED practice is variously oriented to controlling the local economy for narrow ends (increasing the capacity of a community to make money), for broader purposes (e.g., to increase economic stability and control of resources) or to serve fundamental goals of economic justice. That is to say, CED varies according to whether "economic", "development," or "community" is emphasized.

3. *Three Approaches to Community Economic Development*

3.1 The Planned Growth Approach to CED

The mainstream approach to CED reflects North America's competitive individualism. It is a variant on the old practice of smoke-stack chasing; it emphasises the "E" in CED.

Smoke-stack chasing in its broadest form is as old as the exchange economy. Communities have long vied for the jobs and growth which would come from attracting outside investment, whether this be in the form of jails, ports, mines or factories. Mainstream CED has simply taken a more "planned", i.e., pro-active, coordinated, approach to promoting growth.

The planned growth approach is reflected well in the manuals and reports being issued by the National Council for Urban Economic Development headquartered in Washington, D.C. Here are some representative excerpts from that council's current brochure advertising its numerous publications.

> [This guide] shows state and local leaders how they can successfully develop and manage strategies for stimulating real economic growth in their communities. Describes how to custom-design a successful economic development program that builds on the specific strengths of each community. Explains how to identify and test successful development strategies and increase private investment in the local economy. Shows how to work with government, business and higher education leaders to create more jobs, businesses and housing.
>
> [Another] guide identifies state and federal programs that support economic development activities. Analyzes the benefits and risks of eight categories of development activities that grew rapidly in the 1980s. ... business development, finance, targeted development efforts, infrastructure, co-operative research and development centres, trade, training and tax incentives
>
> [A third publication] describes where local governments can find revenue to replace reduced federal programs. Innovative programs described in the report include pooled-tax-exempt bonds, municipal bond oversells, loan guarantees, pension fund investments, using an existing loan portfolio as collateral, pooled and project-based taxable bonds, linked deposits, bank community development corporations and corporate social responsibility ...Stresses the importance of planning for business development.
>
> [A fourth report] examines enterprise zones in seven cities, assessing the effectiveness of their marketing strategies and administrative arrangements. These zones are considered models of how zone benefits and incentives can stimulate reinvestment, revitalization and job creation in a depressed area.
>
> [A fifth report] describes the four roles that the public sector can play in strengthening the local venture capital process...

In this approach to CED, the community is seen as a corporation. This does not mean that the community is necessarily seen as synonymous with the municipal corporation, but that all elements of the community are to work together toward one goal: growth, through the community becoming a more effective competitor for investment and markets in the larger economy.

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Other possible community goals, such as stability, sustainability, independence, equity and quality of working life are seen as irrelevant to CED. Planning focuses on finding the best means to ensure growth. As the excerpts above indicate, a wide variety of such means have been invented for stimulating growth. They can be categorized as:

- Generating more exports
  - -- by increasing sales, by finding new products or markets, by adding value to existing products.
- Increasing productivity
  - -- by increasing the efficiency of labour, machinery or resource harvesting; through capital investment and skills training.
- Encouraging entrepreneurship.
- Attracting public works.
- Attracting private investment
  - -- by offering subsidies, tax breaks, infrastructure and amenities improvements; joint ventures; low wage regimes, or lax regulation.

3.2 The Structural Change Approach to CED

For some people in some communities, growth is not an assumed goal. They are more concerned with stability and independence (i.e. roughly speaking, self-reliance, but not autarky.) These people are often in communities which have suffered boom-bust whiplash. They focus on the "D" in CED. The Yukon provides good examples of such communities, both Native and non-Native, and the structural changes they are now seeking.

In 1986 and 1987, the Yukon (population about 25,000) went through a major participatory economic development planning process called "Yukon 2000". Intensive efforts were made to involve all communities and interests through local workshops and to have them reason together at territorial conferences involving hundreds of representatives.

The Yukon 2000 process began with four substantive goals being offered to the participants by organizers within the territorial government: ensuring Yukoners have the option to stay in the Yukon, taking control of the future, achieving an acceptable quality of life, and achieving equality.

The report which summarized the conclusions of the process to September 1987, *The Things That Matter: A Report of Yukoners' Views on the Future of Their Economy and Their Society*, noted that the four original goals had received endorsement throughout the entire process but that within the context of these goals, more specific common concerns emerged. These common concerns related to diversity and flexibility, self-reliance, a mix of economies, Indians in the economy, women in the economy, responsible use of resources, community development and local participation.

The Yukon's desire and potential for stability and independence is emphasized in the following excerpt from *The Things That Matter*.

> In an economy that has traditionally operated on a very narrow economic base [i.e., mining], Yukon people have shown a high degree of job flexibility, especially during hard times...
>
> This feature of our economy can be explained by our desire to remain in our communities and in the territory, even during periods of economic hardship. It also suggests, as many Yukoners have said again and again during Yukon 2000 that there is an underlying character to our economy that is often unrecognized, hidden in the shadow of mining and government. Many Yukoners are involved in more diverse economic activities than formal statistics suggest. Many of us work in small businesses, cottage industries, household production and subsistence activities for a few months at a time or throughout the year, demonstrating a high rate of movement in and out of the work force as our economic circumstances or interests change. It means turning to occasional wage work to provide a necessary supply of cash for subsistence activities and then to hunting and fishing to reduce the need for wage employment.
>
> Seasonal work, spells of unemployment, a high rate of mobility in the work force-- these are often viewed by southern Canadians as negative features of an economy and barriers to development. Yukoners hold a different view: occupational flexibility should allow us to

> maintain our quality of life and to remain in our communities when the attention of government and developers goes elsewhere. Far from being a barrier, this flexibility has often been a source of strength...

That statement from the Yukon 2000 discussions has clear policy implications. *The Things That Matter* spelled out some of them: industries should be sought which provide jobs when they are needed, not just lots of jobs; diversification of the economy and import-substitution should be encouraged; non-wage work should be recognized and protected; jobs should be flexible; people should be helped to become more adaptable through appropriate training; quick fixes which do not alleviate people's dependencies should be avoided by government.

The policy and program directions identified through the Yukon 2000 process are fundamentally different than those examined in the publications of the National Council for Urban Economic Development. The Yukon communities value stability over growth, flexibility over coordination, fairness and quality of work over efficiency, involvement over specialized expertise, productive activity over financial wizardry.

Other examples of CED which are oriented to structural change range from the organization of local exchange trading systems (LETS), to the formation of traditional co-ops and community development corporations, to employee-share ownership programs.

LETS have been successfully developed in several Vancouver Island communities since the 1982 depression. "Green" dollars (actually ledger entries) are used to keep track of exchanges among people lacking federal dollars but holding complementary skills or products. The ledgers allow one person without federal cash to buy from a second, provided the buyer has something to sell to a third person at some other time. LETS reduce dependency on cash, and thus create some measure of independence from federal monetary policies which periodically create cash shortages. LETS allow economic activity to proceed without requiring cash-short people to arrange direct bilateral swaps. They have worked best in communities with a diversity of skills and cottage industries.

Less ambitious than LETS but similar in concept are the non-cash baby-sitting co-ops found in communities from downtown Vancouver to Port Simpson on the north coast. Such organizations also use ledgers to record credits and debits but the units are restricted to hours of baby-sitting time put in by parents. Their value is in providing a pool of trusted potential sitters to each parent.

Of course, organizations such as baby-sitting co-ops reflect the more informal principles which underlie house-construction agreements and work bees which were common in less individualistic times. Informal, but highly normed, mutual aid is still occasionally to be found in child care arrangements, garden sharing, house renovation, and therapeutic self-help. Native communities in particular maintain informal co-operative economies, especially in distributing game and fish. Strengthening informal mutual aid is one strategy of CED oriented to stability and independence.

Some Canadian communities increase their stability and independence by organizing market-oriented cash-based co-ops on the Rochdale principles. There are consumer co-ops, and producer co-ops, i.e. co-ops of independent producers. Some of these co-ops are small and community-based, such as the grocery-buying clubs found in many communities and the East Coast fish processing and marketing co-ops organized through the Antigonish movement in the 1930's. Other co-ops have become very big businesses. For example, the Federated Co-op chain of retail department stores in Western Canada, the province-wide wheat pools in each of the Prairie provinces, the apple-grower co-ops in the Okanagan region of B.C., and the Inuit art and consumer co-ops, are now significant economic forces. Because they are democratic and constitute local ownership, co-ops help reduce community dependence on outside business decisions. Yellowknife's very successful grocery co-op, for instance, was set up a few years ago because many of the some 12,000 residents felt they were at the mercy of a virtual monopoly for food supplies. This action is a good example of CED oriented not to growth but to self-determination.

Two other kinds of co-ops common in Canadian communities are the credit unions (in Quebec, "caisses populaires") which are banks operated on democratic co-op principles, and the housing co-ops. Like the

producer and consumer co-ops, the credit unions can be small and community-based, or very large as in the case of Vancouver's city-wide credit union "Van-City". Credit unions reduce dependence on externally-controlled banks and can, depending on the management policies, prevent leakages of savings and encourage local entrepreneurship.

Housing co-ops have a long history in some Canadian cities (e.g., Toronto, Sydney). They have now become instruments of Canadian government housing policy. Housing co-ops clearly contribute to stability and independence --particularly during these times of high volatility and internationalization of housing markets.

Industrial worker co-ops as found in several European and Asian countries, perhaps most notably in the Basque region of Spain, are rare in Canada. However, there are several significant examples such as Vancouver's CRS Workers' Co-operative which runs a bakery and an organic food distribution centre, and which has steadily grown over the last decade to create some 50 permanent jobs.

Community Development Corporations (CDCs), common in the United States, are significant in a few Canadian communities. The most famous is the New Dawn corporation in industrial Cape Breton. Another success is in Nanaimo, B.C.

Many Indian bands have set up development corporations. These are different than the earlier versions of band enterprises in that the corporations operate within the same legal framework as other corporations. They provide much flexibility for Band investments and management styles. They can be holding companies for joint ventures with outside investors and/or band members who are investors or workers.

Canadian CDC's operate under a variety of organizational models but in general they attempt to maintain profit-making operations for the benefit of the whole community (if Indian) or of social service agencies (in non-Indian). While usually oriented to growth and job-creation, they also attempt to increase the collective community's role in economic decision-making about financial and environmental risks to be accepted, types of jobs to be stimulated, and purposes to which profits are to be put; i.e., they attempt to increase the community's economic independence. They usually attempt to increase stability by developing long-term strategies and, in some cases, community ownership of real estate.

Another organizational strategy to be noted in this discussion of CED oriented to structural change is worker ownership. There have been several Canadian success stories of worker takeovers of failing plants in the 1980s's, for instance of the forest industry mills in Sooke and New Westminster, B.C. The objectives of these takeovers have been to save jobs in the communities and localize decision-making.

Perhaps the most significant structural change strategy of all is the control being gained by some communities over their natural resources. For Indians in Canada, this strategy focuses on land claims. But there are also other resource-control initiatives being taken by both Native and non-Native communities: municipal ownership of forests (e.g., by North Cowichan, B.C.), community tree farm licences (e.g., by the Stuart-Trembleur Lake Band), and co-management of resources such as fish and to a lesser extent wildlife.

Co-management originally referred to arrangements whereby the state and community co-operatively plan and control harvesting, restocking, and environmental protection. The term is also used to day to refer to inter-tribal resource management agreements, e.g., the agreement among the First Nations in the Skeena watershed. B.C. communities are learning from the way Washington State tribes are managing fisheries with the state and amongst themselves following a 1974 court decision recognizing Indian fishing rights.

Gaining control over resource management is a particularly important strategy for stabilizing a community economy when, as in current times, non-renewable resources are threatened by commercial interests (such as large fishing companies and logging companies) which have no stake in any particular local economy. It is here that the movements for CED and sustainable development connect.

To summarize, stability-oriented CED strategies can be categorized as involving:

- Diversification
  - -- of markets, products, job requirements, skills.
- Import substitution.
- Support of non-cash economy
  - -- e.g., housework, traditional hunts, LETS, labour-credit co-ops, mutual aid.
- Local investment and ownership
  - -- through credit unions, employee share ownership plans, co-ops, community development corporations.
- Resource control
  - -- through resolving land claims, co-management.

3.3 The Communalization Approach to CED

For a few advocates of CED, structural change is necessary but insufficient as a goal. A community can be stable and independent, but exploitative and lonely. Such advocates emphasize the "C" in CED. Their aim is to improve production and distribution functions in such a way that the economy is more just.

CED employs a range of strategies. Some relate to eliminating marginalization and exploitation of particular groups within the community, such as a family grouping which has traditionally been on the out, or people living in an isolated part of the reserve, or women in general, or people with little formal education, or physically disabled people. Strategies can include promoting work-sharing, affirmative action, confronting discriminatory lending policies, and lifeskills training, as well as the older strategies of unionization and fighting unfair distributions of community services and development impacts.

Non-cash mutual aid practices of various kinds have traditionally acted to help weaker members of a community. Today, "voluntarism" serves the same purpose.

From a CED perspective, Native communities are stronger than others because most maintain to at least some degree the ethic of "caring and sharing." Cultural preservation thus can be an important part of the CED strategy in Native communities.

Another set of CED strategies works toward making work more meaningful. This includes encouraging worker (including volunteer worker) participation in decision-making, decentralization of decision-making, and worker-ownership. In some Indian communities, there is increasing interest in developing management structures and styles which reflect Indian values and traditions thereby enhancing worker satisfaction and efficiency.

Many of the strategies for communalization of the economy are the same as those employed to promote stability and independence, but the emphases within the strategies are different. For instance, co-ops can be organized not only to buffer the individual from the market but also to promote economic justice. The CCEC (Community Congress for Economic Change) credit union in Vancouver, which for years gave no interest on its savings accounts, was set up by idealists about a decade ago to foster communal entrepreneurship by providing very low-cost loans to co-ops and other community groups. The CRS Workers' Co-op, mentioned above, has paid attention to worker needs rather than market considerations in determining salary scales and working conditions.

CDCs, as well, can be developed so as to contribute significantly to economic justice. Because they are owned by the whole community, they potentially can be more communalistic than co-ops which serve only their own membership --often a membership which does not include the poorest people in the community. On the other hand, CDCs can also become just another business in the quest for profit.

The communalization approach has been typically adopted by people whose interest in equity issues precedes their interest in CED, just as the planned growth approach is typically adopted by people whose interest in growth precedes their interest in CED.

To summarize, justice-oriented CED strategies can be categorized as involving:

- Distribution mechanisms
  - -- for distributing fairly both economic benefits and costs.

- Non-cash mutual aid.
- Quality of working life improvements.
- Democratic management structures.

4. *Relationships Between Community Economic and Social Development*

Regardless of which approach they advocate, North American CED theorists and practitioners tend to overlook the relationship between economic development and social development (CSD).

The separation of economic from social development in community planning seems to be a peculiarly North American, and to a lesser extent European, phenomenon. Third World community development has, since its inception as an ideology some four decades ago, been fundamentally a practice of integration, whether manifested in the Harambe movement in Kenya, Church work in Latin America, or co-op development in Asia. Third World community development agencies (in contrast with regional development agencies) have found it necessary to consider the inter-relationships among culture, kinship, leadership, class, settlement patterns, land tenure, divisions of labour, skills, habits, resources, markets, technology, and organization.

In North America, CED began with the current period of material decline which followed three golden decades of welfare state prosperity. In comparison to Thai villages, Colombian barrios, and other Third World rural and urban communities, North American communities have become used to rapidly and ceaselessly growing individual and collective wealth. People expect ever better state-provided social security on the one hand and the delights of increasing individual autonomy to consume on the other. Support for individual consumption has become virtually the sole objective of individual enterprise and public policy. Improving individual consumption levels has thus become the objective of most mainstream community development planning in North America. (By "mainstream" I mean community development initiated and supported by government, business, or foundations.) Community development, which in earlier decades had included CSD, became in the 1980's, pure CED-- i.e., development focused on increasing, stabilizing, or equalizing consumption.

Grass-roots community developers, in contrast to mainstream planners, have generally been more broadly focused. But while they may initially focus on social as well as economic issues, even their development activity, as it becomes institutionalized, often divorces economic planning from such social considerations as power, morale and culture.

The consequences of separating CED from CSD are twofold. First, community systems and cultures do not receive the attention and protection they should. Secondly, CED becomes less effective than it might be in terms of meeting its own goals. It is the second consequence which is our concern here.

Here are some examples which show how CED has been helped by CSD or hindered by lack of attention to CSD. The examples suggest that while all three approaches to CED benefit from CSD, effective CSD is needed most by the communalization approach to CED and least by the planned growth approach. Conversely, the examples show, CSD is reinforced by the communalization, structural change, and planned growth CED approaches, in that order.

4.1 Addressing the Basics

Some communities and their members have become so disintegrated that fundamental action is required before any CED process can be successful. There are several success stories of Indian Bands in B.C. which have triumphed over addictions as a first step in developing a healthy economy. The most famous is Alkali Lake. Its story of successfully combatting alcohol and then beginning successful community enterprises, after some economic failures due in part to social problems, is well known across North America thanks to a powerful videotape dramatization of the struggle.

4.2 Leadership and Co-operation

In an East Shore county of Nova Scotia, there are a dozen small fishing communities which began to call themselves the "forgotten shore" because of their remoteness from the major towns and transportation

corridors. In the 1960's, a descendant of the forgotten shore returned after retiring at a young age from the army. Exercising strong leadership, he managed to bring the communities together to pressure the provincial and federal governments to provide more infrastructure in the micro-region.

Through co-operative and intense lobbying, the communities acquired a new provincial park and a port, plus a road and ferry route which shortened the distance between two of the communities by forty miles. The new route increased the range of employment and marketing opportunities for people throughout the area. It also increased transportation efficiencies for fishermen bringing their catch to a processing plant, for woodcutters bringing logs to tidewater, and for tourists.

Besides attracting investment to improve the productive capacity of the area, the communities also convinced senior governments to build a senior citizens' home and a health centre. A requirement for getting these social facilities was for the communities to accept the fact that each facility could be located in only one community and to agree on which community that should be.

Unfortunately, the forgotten shore has become lethargic again in the last few years. The leader is tired, partly perhaps from age but also because of a bitter internal feud in his own village over the use of church property.

Besides lobbying government, the forgotten shore should perhaps also have sought to broaden its leadership base, provided for continuity, and sought help in conflict resolution. Perhaps also, CED would have continued if the approach to CED had been broader than planned growth, i.e., growth in individual jobs and consumption of services but not in co-operative work and mutual support.

4.3 Social Responsibility

Indian communities along the Mackenzie Valley were introduced to vegetable gardening by the Christian missionaries. Even communities north of the Arctic Circle had flourishing gardens. With the social breakdown of the communities because of externally directed change, gardening has been virtually abandoned. Vandalism is too great a problem. A vivid illustration of this problem is provided by the tall barbed wire fence around the garden adjacent to the church at Inuvik. Despite the continuing potential for gardens, communities depend on high-cost, often low-quality, food from the South. Social under-development thus blocks at least one potential avenue for structural change in the North.

4.4 Motivation

A few years ago, Main Street merchants in a small B.C. town began thinking about the idea of a festival using as a theme the camel trains which had a short life transporting supplies for the gold rushes along the desert-like valleys and plateaus in their area. They complained that they could not raise enough cash and would like volunteers from within the community to help them. Given the high unemployment in the area because of layoffs at nearby mines, they hoped volunteers would be readily forthcoming. But miners were reticent to volunteer for a project which, in their minds, would financially only benefit the merchants. What might have helped would have been a change in the expected schedule of benefits. Such a change would in turn have required changing the community attitudes of the merchants in order to move their CED efforts beyond the planned growth approach.

A more satisfactory approach to volunteers was taken by an inter-community economic development committee in a mixed economy area of Vancouver Island. The committee was financed under Community Futures, a federal job-creation and community planning program. Shortly after its inception, the committee contracted with a consultant to provide recommendations for committee activities. The result was a list of suggested studies into product and marketing opportunities. At a full-day meeting held to consider these recommendations, the volunteer committee members soon indicated their lack of interest in spending their time letting out contracts for further studies. Their primary interest lay in community education and completing high priority infrastructure projects. Had they not had the opportunity to state their own priorities, it is likely that committee members would have jumped ship as fast as some of their predecessors had.

CED of all three approaches often overlooks the fact that people need to feel a sense of accomplishment and relevance if they are to be expected to work for other than personal financial gain. One task of CSD is to help develop that understanding and to create lasting motivation.

4.5 Trust

An Indian band in the North was in bad shape economically and socially after years of forced internment of kids in far away residential schools and increasing confinement of traditional economic pursuits. The Band's location near the Alaska Highway has suggested significant opportunities in the tourism. Many thousands of dollars have been given by government agencies to consultants to create and negotiate deals for getting some of the tourist dollars. Unfortunately, this very small band has had neither the skills nor organization to manage the kinds of enterprises (i.e., hotels) being envisaged by the consultants. Worse, until recently, it could not even effectively get involved in the economic planning because of intense mutual suspicion within the community.

One of the first recommendations of an economic development officer hired by the band a few years ago, a local prospector, was that the band have a community audit of the books every year so that trust and accountability could be restored in officers. He also helped the band identify the need to increase the sense of social security in the community, e.g., by taking measures to reduce assaults and dog attacks. Once these various measures to increase trust were adopted, the band began to work together to consider various CED projects. The prospector who recognized the prior need for CSD seems to have been more effective in his CED work than the big-city consultants who prepared detailed financial feasibility studies. He was also much cheaper.

4.6 Organization

A band near a northern city has an abundance of economic opportunities and ideas. What has held it back in recent years is inadequate organization, particularly in the form of ability to set priorities, divide labour and allow representatives to negotiate for the band, at least up to the decision point. Information is some times held close to the vest by top leaders who are unable to effectively work simultaneously on the many fronts they have opened up. Inadequate organization is the major barrier to CED, inadequate CSD is a major barrier to better organization. The band not only needs a better structure but the trust and commitment that will make a better structure work. Even a better structure can only be put into place through co-operative planning. Recent CED workshops have thus moved from assessing projects to assessing organization to assessing working relationships among the leadership.

4.7 Identity and Culture

The idealistic CCEC credit union in Vancouver was mentioned previously in this paper. Though it still plays an important role in supporting community-minded enterprises and organizations, it now pays interest on deposits. This policy change suggests that CCEC members have lost, understandably, some of their sense of identity with, and therefore commitment to, other groups in the larger Vancouver area, groups whom they were initially prepared to help at some sacrifice. It is difficult for people to work together on CED, especially communalization-oriented CED, if they do not feel part of the same community.

Sharing a culture contributes to identity and commitment and therefore to joint work in CED as in other areas. Thus the concern of Native communities for maintaining their cultures linguistically, ritualistically, organizationally, and in terms of activity and belief systems, can be seen as having significant implications for economic development.

5. Basic Trade-offs in CED

There are three trade-offs which must be addressed by every community involved in developing its economy, regardless of how well it integrates social and economic development and regardless of whether its economic goals are growth, stability, or justice.

5.1 Long-term vs. Short-term

Trading off short-term pain for long-term gain lies at the heart of the development process at all levels: national, regional and community. Investing for the long term need not only be effected by devoting resources to increasing stocks and building machinery which would otherwise be consumed. Investment can also be effected, as many communities know, through devoting resources to the long-term development of "human resources" through education, health, housing, and, as explained above, the development of self-respect, leadership, co-operation norms, social responsibility, motivation, trust, organization, identity and culture.

5.2 Development of the Cash vs. the Non-cash Economy

Development of the non-cash economy can, as has been explained, contribute to independence and stability and, in its mutual aid forms, to justice. The non-cash economy can also make a significant contribution to "growth" of the goods and services available to people and to their individual life quality. Unfortunately, there is a very strong bias to the cash economy among professionals and community leaders, a bias which for the most part seems to be based on not thinking about the cash/non-cash trade-off. Many communities may find that they can get the most leverage out of their CED activity by building the non-cash as well as the cash economy.

5.3 Community vs. Individual Enterprise

The instruments for economic growth, stability and even justice can be controlled by the community or by individuals or by some combination of the two. There are arguments to be made for strong community control-- namely that work can be organized so as to gain the benefits of a larger scale and so as to reflect community values of equity, environmental protection, cultural preservation, quality of jobs, etc. Arguments can also be made for strong individual control-- flexibility, profit-motivation, diversity, the efficiency of smallness, etc.

In resolving all three trade-offs, the right answer has to be created by the individual community. The more participation, thought, and information which goes into making the trade-off, the better the quality of the decision.

It must be remembered that the three basic CED trade-offs are conceptual. That is to say, in each case there is always potential for a win-win solution which substantially reduces the trade-off nature of the problem. In a given community, creative planning may lead to actions which serve both short-term and long-term needs, which bolster the cash and the non-cash economies simultaneously, or which capture the benefits of both community and individual enterprise.

6. Conclusion

We have seen that CED is a multi-faceted activity which has responded to the crises of the 1980's by developing a rich array of strategies for improving community economies. We have also seen that economic "improvement" can imply various goals-- growth, stability or justice-- and that some strategies are particularly well-suited to one or other of these goals while others serve all three. We have seen that economic development cannot in practice be divorced from social development and that the two should be planned to reinforce each other. Lastly, we saw that there are some basic trade-offs which have to be addressed in CED.

What all this adds up to is that CED is a complicated matter which should involve the community in making choices based on values and predictions in a conflictual, complex, changing and uncertain world. CED is not a technical exercise.

The planning of CED should be participatory, informed and strategic. Strategic planning means setting priorities and formulating a series of actions which will lead sooner and later to explicit goals. Priorities should be set on actions which have high leverage value, i.e., high expected output for a given input, and which are realistic given the community's resources.

Small immediate successes have high leverage value because they produce outputs of self-respect and motivation as well as the more tangible objectives of jobs and income. It has been my observation, and that

of others, that CED efforts have more often been mistaken by being too ambitious than by being too small. As more than one person has put it, communities have been hindered by the megaproject syndrome, whether the megaproject is their own dream or somebody else's.

Capacity-building, in terms of skills and organization, is increasingly being recognized as an essential early component of a long-term CED strategy. I would point out that one of the best ways to develop capacity is to learn by doing, i.e., to experiment with different organizational formats to manage small community enterprises and to develop the various skills needed on the job. I would also point out that capacity building should include social development in all its aspects.

A final point I would like to stress is one that is based on my experience with Native communities, a point which I hope has been evident throughout this paper. If one thinks CED should be a process leading to stability and justice as well as growth, and a process intimately linked with CSD, then most Native communities have a potential head start over non-Native communities in doing CED. The potential lies in Native community strengths-- location-specific cultures, ethics of caring and sharing, respect for all individuals, love of the land, experience in directly making decisions together, and commonly held resources. For these strengths to be built on, they must be recognized and respected, not only by leaders in the community, but also by those offering support from the outside.

Non-Natives, especially city-dwellers, have much to learn from Native communities -- not because we can duplicate Native traditions or recreate exactly our own traditional communal forms, but because by comparing our usually shallow sense of community in the city with the depth of common feeling and commitment which persists in most Native communities, we can begin to appreciate the magnitude of the challenges we face in attempting to do CSD/CED in modern society.

Understanding the differences between the tradition-based, localized, integrated community and the modern society of mobile individuals loosely connected by specialized contracts and buffeted by world-wide economic, cultural and now environmental forces, is essential if community development is to mean more than economic development, and economic development more than growth. Such understanding can lead to the creation of new community forms that respond to the general realities of today's unstable but opportunity-filled economy, threatened but still life-supporting ecology, and individualizing but soul-searching culture. The willingness to experiment and take risks in creating such communities is what the Canadian community developers described in this paper hold in common, whether Native or non-Native, rural or urban. Future CED planners would do well to follow their examples

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